

Date: May 20, 2013

To: Thomas J. Bonfield, City Manager
Through: Wanda S. Page, Deputy City Manager
From: Kerry L. Goode, CIO/Director of Technology Solutions
Subject: Sharp Rental Agreement for Multi-function Print Devices

Executive Summary

The Agreement under consideration with Sharp Business Systems of North Carolina will provide the City with digital multi-function print devices. These multi-function print devices are the latest generation in copier technology. The multi-function print devices will operate as stand-alone copiers, networked printers, fax machines, and scanners. When compared to past MFDs (multi-function devices), this newer technology provides the latest imaging, copying, scanning and printing capabilities for City business units. The machines will be rented for a period of 48 months with a one-year extension. After the lease period, the City has the option to purchase the equipment for \$1.00 or return the equipment to a location designated by Sharp with no further obligations. If the City chooses to purchase the equipment at the end of the Agreement, only the maintenance cost will remain as a recurring cost.

Under proposed Agreement, the City is only obligated to pay for the actual number of copies made. The cost of the Agreement will be paid by the various City Departments via funding in their respective operational printing and duplicating budgets.

The Equal Opportunity/Equity Assurance Department reviewed the proposals submitted by various vendors and determined that Sharp Business Systems of North Carolina is in compliance with the Ordinance to Promote Equal Opportunities in City contracting. There were no SDBEs to provide this service.

Recommendation

The Administration recommends acceptance of the proposal from Sharp Business Systems of North Carolina for four years with the one-year extension option for digital multi-function print devices with an estimated amount of \$272,878.25 per year based on an estimation of 6,141,516 copies (\$0.03973 per black and white copy and \$0.05800 per color copy). The total cost of the Agreement for four years is approximately \$1,091,513.00.

Background

The Agreement under consideration will provide the City with multi-function print devices. The multi-function print devices will operate as stand-alone copiers, networked printers, fax

machines, and scanners. When compared to past MFDs (multi-function devices), this newer technology provides the latest imaging, copying, scanning and printing capabilities for City business units. These machines will be leased for a period of 48 months with a one-year extension option on a cost-per-copy basis. The City is only obligated to pay for the actual number of copies made during the Agreement period. Leasing copiers will allow the City to operate newer, more efficient equipment, while taking advantage of the new imaging, printing, and scanning functionality provided by the latest changes in technology.

Issues/Analysis

Eight proposals were received. The recommended proposal was submitted by Sharp Business Systems of North Carolina. Sharp Business Systems of North Carolina is offering Sharp brand machines with various features that meet the City's requirements. Black and white copies made under this Agreement will cost \$0.03973 per copy and color copies will cost \$0.05800 per copy. As part of the Agreement, Sharp Business Systems of North Carolina will provide the equipment, installation, maintenance and service, operating supplies, and training. The City will be responsible for providing paper for the machines.

Alternatives

Rather than leasing the multi-function devices, the City could choose to purchase the same equipment because the existing equipment is at the end of its life. In addition to the purchase price, it would be necessary to enter into a maintenance/service agreement for each machine at a cost of approximately \$1,160.00 per year, per machine. The estimated amount of this Agreement to purchase the equipment will be approximately \$282,250.00 per year.

Financial Impact

The Agreement amount is an estimate, based on the total number of copies made under the existing copier Agreement for the last 12 months. Under the proposed Agreement, the City is only obligated to pay for the actual number of copies made. The cost of the Agreement will be paid by the various City Departments via funding in their respective operational printing and duplicating budgets.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by Sharp Business Systems of North Carolina in Morrisville, North Carolina and has determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City contracting.

SDBE Requirements

There were no M/SDBE or W/SDBE goals set.

Workforce Statistics

The workforce statistics for Sharp Business Systems of North Carolina are as follows:

Total		
Workforce	17	
Total Females	2	12%

Total Males	15	88%
Black Males	3	17%
White Males	11	65%
Other Males	1	6%
Black Females	0	0%
White Females	2	12%
Other Females	0	0%

Attachments: Sharp Business Systems 3-Year Performance Guarantee